

RFP 2043 Vendor Questions

1. Please clarify if the RFP calls for SMAC rate setting for all prescription drugs, including brand drugs and specialty drugs.

Response: The MAC price list must include all products, prescription and over-the-counter, which are widely and consistently available to pharmacies at a price that is less than the Estimated Acquisition Cost. MAC prices are intended for products that are available generically.

2. Does the State have a preferred SMAC methodology?

Response: No.

3. Please describe the Agency's annual cost saving objectives for the SMAC program, if any.

Response: The State does not have a specific cost saving objective.

4. Who is the current contractor providing SMAC services to the Division? How much was this contractor paid for these services?

Response: Catamaran (formerly SXC). \$8,750 per month.

5. Please describe how the current SMAC rates are established in South Dakota.

Response: Current rates are established utilizing a proprietary methodology developed by the current vendor.

6. How many pharmacies participate in the South Dakota Medicaid program?

Response: Approximately 350.

7. RFP Section 4.3 requests financial statements. As a CPA firm, we do not have audited financial statements. Will our internally-prepared unaudited financial statements satisfy this requirement?

Response: Financial statements are required per section 4.3 of the RFP.

8. Is there an incumbent vendor? If so, please name.

Response: Yes, Catamaran (formerly SXC).

9. Can vendor propose changes, if necessary, to Attachment A?

Response: Vendors may propose changes, however, the Division of Medical Services has limited authority to change standard contract terms.

10. Can vendor use GSN instead of GCN?

Response: No. The vendor may include the GSN with the MAC file but GCN is required.

11. Should one original and eight hard copies of the proposal be submitted?

Response: Yes

12. Is an electronic copy of the cost proposal to be included with the hard copy of the cost proposal?

Response: An electronic copy of the cost proposal is not required.

13. What is South Dakota Medicaid's definition of Estimated Acquisition Cost.

Response: The definition of Estimated Acquisition Cost is the Consolidated Price minus 13%. Consolidated Price is a replacement for Average Wholesale Price and is calculated as follows: Wholesale Acquisition Cost (WAC) multiplied by 1.2, if no WAC then Direct Price multiplied by 1.2.

14. Does the State require a full SMAC price file or just approved price changes on a monthly basis?

Response: The State requires an initial full price file. Subsequent monthly files may contain only the approved price changes. On occasion State may require full files but State anticipates the need for full file requests to be limited to no more than one or two per year.

15. Does the State envision updates more frequent than monthly given that the SMAC file will be provided on a monthly basis?

Response: Current processes require a monthly update cycle. The State does not anticipate more frequent update cycles unless a new pharmacy claims adjudication system is implemented.

16. Is there a SMAC appeal process currently available to South Dakota Medicaid prescription drug providers? If so, please describe the current process.

Response: Yes. Pharmacy providers must supply the State with an invoice detailing their current invoice price for the disputed product. This information is forwarded to the current vendor for review and a recommendation is then submitted to the State for approval. If the price is changed, the State manually

updates the adjudication system and the new MAC price is supplied with the next monthly MAC file.

17. Does the State require a full SMAC price file or just approved price changes based on appeals within the 5 business days? Should these SMAC prices also be provided in the monthly SMAC file?

Response: Just approved price changes based on appeals. These prices should also be provided in the next monthly SMAC file.